Final Report Management and Leadership Project of Nicaragua April 2003 – September 2005

MSH Nicaragua

September 2005

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USAID
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MSH

Content

Introduction

This report is offered to USAID as an overview from the MSH perspective of the results of the 30 month "bridge" project under the USAID Management and Leadership Project implemented by Management Sciences for Health between April 2003 and September 2005. The project was seen as being a "bridge" between the old USAID strategy which expired in September 2003 and the new strategy which extends from 2003-2008. The project responded directly to USAID strategic objective 3: "Investing in People: Healthier, Better Educated People" and, specifically, to Intermediate Result 1, "Increased Social Sector Investments and Transparency".

The project was described by the USAID Cognizant Technical Officer as being the SO3 team's "laboratory" as it was learning to approach the social sector in a more unified and integrated fashion. The M&L project was chosen to lead this process because management and, especially, leadership were seen as being relevant and important to all of the potential social sector institutions.

The first scope of work issued in early 2003 was oriented principally at the Ministry of Health (MOH) and, to a lesser extent, at the Nicaraguan Social Security Institute and PROFAMILIA, the IPPF affiliate, and was for a period of 15 months. In January 2004, additional funds were made available to work with the Ministry of the Family, to work more extensively in health reform and to work with the SILAIS Managua, responding to a request from the SILAIS and recognition of its strategic importance being the home of all ten national hospitals. In July 2004, the Ministry of Education was added. In January 2005 two clients – the Social Cabinet and the private sector (Corporate Social Responsibility) were added and the project activities extended through September 2005. In March 2005 the Emergency Social Investment Fund was added and in July 2005, the Federation Nicasalud. The following chart summarizes the evolution of the client portfolio:

Evolution of Client Portfolio

Prior to 2003	MOH PROFAMILIA (IPPF Affiliate)
April 2003	Nicaragua Social Security Institute Municipality of Waslala
January 2004	Ministry of the Family
July 2004	Ministry of Education
January 2005	Social Cabinet Private Sector National Medicines Policy Commission
March 2005	Emergency Social Investment Fund (FISE)
July 2005	Nicasalud

During this time period the Mission provided $7.67 million in funding.

History of M&L Funding in "Bridge Project" (FY2003-FY2005)

Date	Amount	Purpose
2002-03	3,100,000	First phase of the "bridge project" – work with MOH and INSS.
2003-04	2,420,000	Expansion into health reform, Ministry of the Family and Ministry of Education.
2004-05	2,150,000	Expansion into social cabinet, corporate social responsibility, FISE and Nicasalud.
TOTAL	**$ 7,670,000**	

Approaches, Results and Products by Client Organization

The following table attempts to capture in a somewhat simplistic scheme the M&L approach to the broad and constantly evolving scope of work agreed upon with USAID.

Major Project Lines of Action

	MOH	MOF	MOE	INSS	PROFAM.	Cabinet/ Local Government[1]	Private Sector
Leadership	X	X	x	X	X	X	
Institutional Reform	X	X	x		X	X	
Service Delivery	X	X	X		X	X	
Financing/Other	NHA[2]	Cost of Services	NEA[3]	Cost of Services	Cost of Services/Financial Management		CSR[4]

CLIENT: MINISTRY OF HEALTH

There were four general areas of work with the Ministry of Health:

- Leadership
- Health service monitoring (AMAS) (service delivery in the above table)
- Institutional reform
- Finances
    - National health accounts
    - Improved accounting at the regional level.

[1] Includes work with the Social Cabinet at the central and local levels and with the municipality of Waslala
[2] Nacional Health Accounts
[3] Nacional Education Accounts
[4] Corporate Social Responsibility

MOH Leadership

Approaches

The MOH leadership program worked at all levels of the Ministry of Health – central senior level (Vice-Minister, Secretary General, General Directors and Specific Directors), SILAIS (eight of 17 SILAIS, including Managua and its 10 national hospitals) and 64 of the 153 municipal teams in the country. In all over 2,000 MOH workers were included in the M&L leadership programs.

The MSH approach to leadership requires that leadership be developed in the process of confronting real institutional challenges. At the central level 65 persons were trained in a formal program of seminars from June – December 2003 to address the challenge of harmonizing the National Health Plan and the Service Delivery Model. From early 2004 onward the challenge was to carry out institutional transformation and leadership training was done within that context, focusing on negotiation skills and understanding human talent-based organizations.

The SILAIS teams from Boaco, Jinotega, Matagalpa, Madriz, Estelí, Masaya, Rivas and Managua were trained using a similar approach. The Managua experience differed from the others in that in addition to the SILAIS management team, it included hospital and health center directors. It also differed in that the training was "demand-driven" rather than "supply-driven", i.e. it was given in response to a request from the SILAIS.

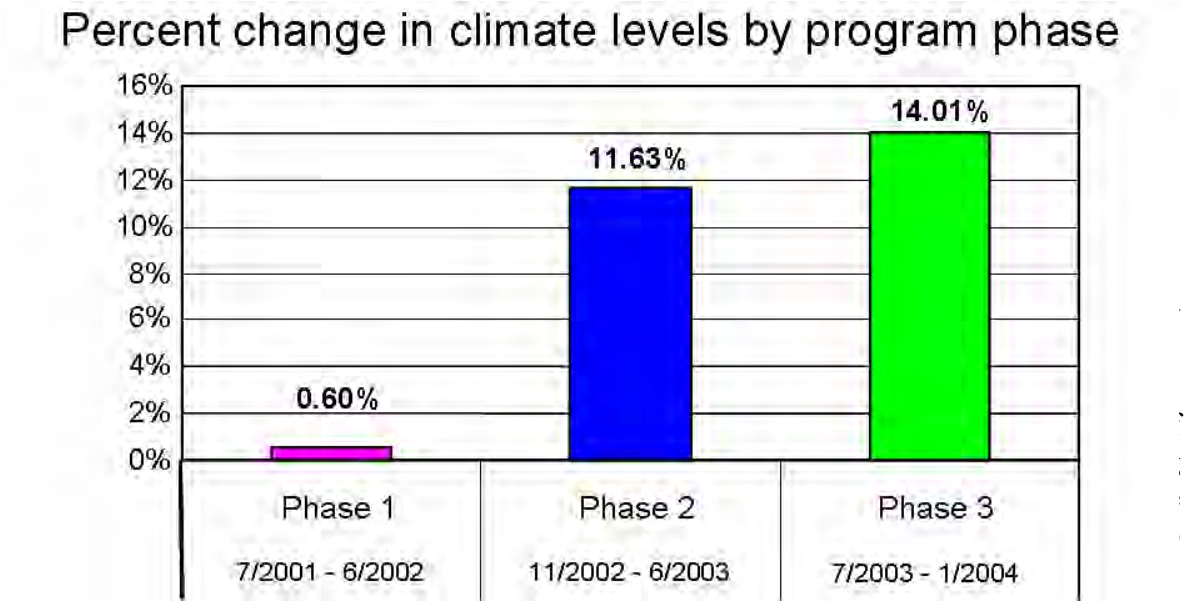
Over 1,900 health workers were trained in leadership at the municipal level using the self-instructional modules developed cooperatively between the Prosalud Project and M&L in 2001-2003.

The following table summarizes the total of persons trained by level in the MOH leadership component:

Number of Persons Trained
MOH Leadership Program

Level	Number Trained
Central Level	65
SILAIS	75
Municipal Level	1,913
TOTAL	**2,053**

Results
The following table shows the changes in organizational climate during each of the three phases of the municipal leadership program:



Several internal and external qualitative investigations[5] have shown impact on participation, teamwork, and communication skills by the participants. These have been observed by both participants and those people who work with or under the participants, but did not themselves participate in the program. Also significant was the achievement of the institutional challenge. In the case of the MOH, the Health Care Model and the National Health Plan were harmonized.

Products
1. MOH Municipal Level Leadership Self-learning Module
2. MOH Municipal Level Interpersonal Relationships Self-Learning Module
3. Generic Leadership for Social Sector Institutions Self-Learning Module
4. Methodological Guide for the Development of Leadership at the Local Level
5. Evaluation of Overall Leadership Program 2004
6. Evaluation of Senior Leadership Program 2005

AMAS

Approaches
The efforts under AMAS have centered on scaling up, validating and revising the monitoring guide, creating a software program to facilitate use, evaluating the utility of

[5] LeMay, Nancy et al, "Evaluación Del Programa de Liderazgo para el Ministerio de Salud de Nicaragua (2001 – 2003), MSH, June 2004
Garcia Nuñez, José, "Evaluación del Programa de Desarrollo de Liderazgo, Nivel Central", MSH, Agosto, 2005

AMAS and assuring the formal acceptance of 10 new instruments developed under PROSALUD and implicit in AMAS.

Early in the project, the MOH, using the Prosalud Project monitoring instrument as a guide, developed its own version with MSH technical assistance. This instrument was formally launched by the Minister of Health in August 2003. Training in all SILAIS and application of the monitoring tool by all municipalities occurred before the end of 2003 After a year of experience, a multi-disciplinary team began a review of the instrument and created a new version which was formally introduced in the first quarter of 2005 and published with M&L assistance in February. Another intensive period of training began which introduced to the SILAIS the principal improvements made in the application of the instrument.

One of the areas where M&L began almost immediately to address its attention once AMAS had been formally launched was in the design of a software program that would facilitate analysis of the results and their consolidation of the results at the municipal level, at the SILAIS level and at the national level. The software program was offered to every SILAIS and training in its use provided. The software program was redesigned as part of the AMAS validation process. The new version has been installed in every SILAIS.

One of the mandates given by USAID to M&L in April 2003 was to evaluate the utility of AMAS. In the second half of 2004, M&L carried out an evaluation aimed at looking at three aspects – the perceived utility of AMAS, the changes in the different dimensions of health unit functioning measured by AMAS in a select group of SILAIS and the statistical relationship of AMAS "scores" to MCH coverage. The results of that investigation were presented to MINSA, served as a basis for the redesign of the monitoring instrument and were presented at the 2005 Global Health Council meeting in Washington, DC. In July and August 2005, another impact evaluation was carried out based on the new version of AMAS.

Ten instruments developed under PROSALUD and one under its predecessor, the Decentralized Health Services Project have finally been approved by the pertinent MOH technical offices, by the Directorate of Regulation and are Legal Office for preparation of the Ministerial Directive which makes their use official. These instruments are:

1. Manual of Norms and Procedures for Referral and Counter-referral
2. Instructions for creating an Activity Plan in Health Units
3. Instructions for the verification and calculation of data consistency in ambulatory care at the primary level
4. Instructions for the Monitoring of service coverage at the primary care level
5. Procedures Manual for the analysis and improvement of Organizational Climate
6. Procedures Manual for Measuring Client Satisfaction in Health Units
7. Manual for the Monitoring, Supervision and Evaluation of Integrated Child Health Care
8. Instructions for the Monitoring and Supervision of Integrated Women's Health Care
9. Procedures Manual for Basic Organization of the Health Unit
10. Procedures for following-up with women who miss prenatal or postpartum visits or institutional delivery.
11. Disposiciones para el seguimiento de Mujeres Inasistentes a la Atención Prenatal, al Parto Institucional, y a la Atención Post-natal.

Results

In a study of the utility of AMAS using the TRIAGE technique with ten expert groups from ten SILAIS IN 2004, the following conclusions were drawn:

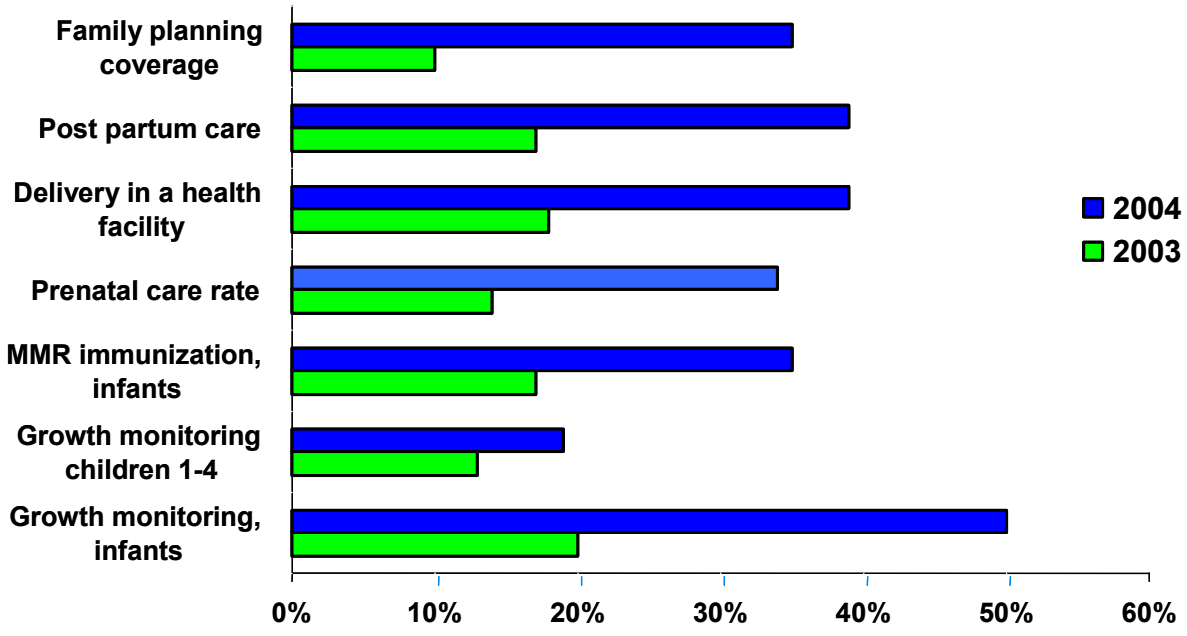
Planning: AMAS helps to identify and to program activities because it contributes to quickly identifying where there are problems and initiating a local planning process with more probability of success. It is a standardized participatory process which contributes to service planning improvement.

Organization: AMAS can be easily utilized to recognize weaknesses and strengths in the organization of services and to evaluate supply and demand priorities. Furthermore, it allows visualizing and analyzing the state of the service supply and demand and then to correct deficiencies.

Monitoring: AMAS provides a general vision of the performance of the health unit and evaluates the degree of functionality of the municipal health services. It helps identify the gap between planned and programmed activities, evaluating the performance of the health unit in a systematic way.

Decision-making: AMAS allows identifying the areas of health units that have greater vulnerability, then to direct strategies towards those points. In this way, it helps to take timely and correct decisions, to improve services and to resolve the identified problems in a timely fashion.

The following graph shows the change in various dimensions of the MCH services evaluated from before application of the monitoring guide to after in eight SILAIS:



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Finally, applying multivariate analysis relating the "scores" on AMAS categories in 60 health units to coverage of principal maternal and child health services it could be determined that in Leon and Managua, two large metropolitan areas, 75 – 80% of the variance in coverage levels is explained by the higher scores on the AMAS evaluation. In 30 health units in more rural areas, 52 – 69% of the variance is explained by the higher AMAS scores. This is clear evidence that AMAS measures processes and inputs critical to health service coverage. If a health unit improves the processes measured by AMAS, it will improve coverage of MCH services.

Products

1. Monitoring Guide for Primary Care level Health Center and Health Posts (Versions I and II)
2. Complementary tools
    a. Manual of Norms and Procedures for Referral and Counter-referral
    b. Instructions for creating an Activity Plan in Health Units
    c. Instructions for the verification and calculation of data consistency in ambulatory care at the primary level
    d. Instructions for the Monitoring of service coverage at the primary care level
    e. Procedures Manual for the analysis and improvement of Organizational Climate
    f. Procedures Manual for Measuring Client Satisfaction in Health Units
    g. Manual for the Monitoring, Supervision and Evaluation of Integrated Child Health Care
    h. Instructions for the Monitoring and Supervision of Integrated Women's Health Care
    i. Procedures Manual for Basic Organization of the Health Unit
    j. Procedures for following-up with women who miss prenatal or postpartum visits or institutional delivery.
3. Methodology for the Analysis of the Results of the AMAS Monitoring
4. Documentation of the AMAS Experience
5. Qualitative Investigation with Statistical Analysis y Multivariate Analysis on the Utility of the AMAS approach.
6. Quantitative evaluation of the 2005 version using multivariate analysis.

Institutional Reform

Approaches

The MSH terms of reference foresaw M&L technical assistance in four areas in the reform process:

- The Health Care Model
- The Evaluation of Health Policies
- The National Health Plan
- Institutional Reorganization

Substantive, long-term support was only provided for the health care model and institutional reorganization. M&L technical assistance provided the final push to finish the health care model. This model was a requisite of the World Bank Modernization program

and the new General Health Law. The model defines how and what services are provided to whom, how they are managed and how they are financed. Among other important aspects the model defines local health networks and a basic services package. The reform team assured consistency between the model and the proposed institutional reform. The institutional reorganization's principal virtue will be to operationalize the Health Care Model.

In January 2004, MSH was approached by the Ministry of Health and colleagues of the World Bank Modernization Program (PMSS) to assist in the restructuring of the Ministry of Health. The need for this restructuring became apparent as the Ministry was developing its 2004 work plans and the Minister became aware of the lack of coordination and of the duplication of efforts. A team of some 15 persons, including 3 full time MSH advisors, nine PMSS funded persons and 3 MINSA line personnel worked fulltime for nine months in designing the new structure. In the process they consulted over 1000 persons from all levels and divisions of the MOH, read hundreds of documents and reports and studied the experiences of other countries. MSH provided the technical approach – the Systemic Approach of Process Management-, a methodology used by MSH in El Salvador, Guatemala, Honduras and Bolivia. When the PMSS project ended, the Minister requested that MSH contract the nine PMSS consultants in order to assure the maintenance of Project momentum. The Minister has repeatedly affirmed her commitment to seeing the reorganization process implemented and has begun to take some concrete steps to those ends. Among these are the formal submission to the Ministry of Finance of the new structure, thus assuring that the 2006 budget will be based on it, authorizing 12 mid-level line personnel to work fulltime on the implementation, presenting to the Secretary of the Presidency the proposed reform to the regulation of Chapter 9 of Law 290 which ordains the organization of the Ministry of Health, and authorizing the reassignment of personnel to the new structure with its formal implementation in January 2006.

Results

The results of the reform effort are medium term and depend on completion of the implementation phase. The expected results are increased efficiency, coverage, quality and satisfaction of both internal and external clients. The reorganization and the health care model are intimately linked in that the reorganization is essential to permit implementation of the model.

Products[6]

1. Health Care Model
2. Operational Manuals for ten central level organizational systems (planning, information, finance, maintenance, procurement, human resources, regulation, health communication, prevention and quality assurance and direction) and two at the operational level (management and health delivery) each with its respective mission, vision, functional areas, processes, procedures, activities, personnel needs and profiles.
3. Norms for the Integrated Care of Women of Reproductive Age and Uncomplicated Pregnancy
4. Guidelines for the Design of Health Care Protocols

[6] These are major products. There have been countless intermediate products in this process.

5. Proposal for the Reform of Chapter 9 of Law 290, the Law of the Organization and Procedures of the Executive Branch in Nicaragua
6. Calculation of MOH Personnel Requirements
7. Systematization of the Design Experience
8. Methodological Guide for Reforming Health Institutions (Draft)

Finances

Approaches

MSH, principally through its sub-contract with the Harvard School of Public Health, has assisted in the development of National Health Accounts and in the strengthening of the inter-institutional committee responsible for the development of those accounts. In 2003 MSH facilitated a strategic evaluation of the committee which led to a focused program for its strengthening. Technical assistance was provided in the calculation of 2002, 2003 and 2004 national health accounts as well as the analysis of the whole series of accounts between 1997 and 2003.

In 2003, MSH also assisted the SILAIS of Rivas and Boaco in the implementation of the new integrated financial management system developed with technical assistance of the PMSS project. The result was the cleaning up and ordering of the accounting records of these two SILAIS permitting much more timely and transparent rendering of accounts to the central level and a corresponding increase in timeliness of the flow of funds to the SILAIS.

Results

Nicaragua has one of the longest, uninterrupted series of National Health Accounts of any developing country. The information has been used in the formulation of national health policies and the national health plan.

In Boaco and Rivas, the delay in rendering financial reports was reduced from approximately six months to one. However, M&L understands that the integrated financial system may have some design flaws which undermine the long-term sustainability of the achievements.

Products

1. National Health Accounts 2002
2. National Health Accounts 2003
3. Matrices for National Health Accounts 2004
4. Analysis of the Series of National Health Accounts 1997-2003
5. Integrated financial information system installed and functioning in Boaco and Rivas

CLIENT: MINISTRY OF THE FAMILY

M&L's principal areas of focus with the Ministry of the Family have been:

- Social Services Model

- Planning System and Management Information
- Leadership
- Special Protection System
- General Technical Support

Social Services Model

Approaches

M&L facilitated the development of the social services model which has four components – services, service delivery, service management and service financing. (This is the Ministry of the Family's equivalent of the MOH Health Care Model.) As in almost all of its technical assistance, what MSH offered was the facilitation of the technical approach. The MiFamilia counterparts provided the content. The model enables this relatively young ministry, which inherited two mammoth, development bank-financed, overlapping programs (PAININ and the Social Protection Network), to create a coherently organized and integrated approach to its services. The model was validated by central level and municipal level personnel, adjusted and approved by the political level.

Results

One of the key results is an ordering of MiFamilia's work. MiFamilia is heavily dependent on donor financing and the model is serving as the organizing principle for the use of this financing. The model also provides the structure that will permit it to integrate the PAININ and Social Protection Network programs into its own much, much smaller social protection program (PAINAR).

Products

1. Social Services Model

Planning System and Management Information System

Approaches

The organizational challenge identified in the first, senior level leadership workshop was the creation of a planning system for the ministry. The first six months of 2004 were dedicated to the design of the system which had four major processes – strategic planning, operational planning, investment planning and management information system. In the second half of 2004, the instruments for strategic, operational and investment planning were created and the operational planning instrument used for the creation of the 2005 operational plan, reported to have been the smoothest and most stress free in recent MiFamilia history. The first half of 2005 was dedicated to the design of the management information system and the last months of the project were dedicated to creating a pilot application of the system. The heart of the management information system is the definition of products or results. The effort to do this is reinforced by the government's decision to convert all ministries to a results-based budgeting by 2007. The management information system will report on coverage, cost and quality for each result.

Results

The design of the planning system, the putting into practice of the operational planning process and the design of the management information system have generated a whole process of institutional transformation. The work done on the planning system has led MiFamilia to use the same approach to organizing all of its other systems. MiFamilia is now one of the few ministries to have its products or results clearly defined and, thus, measurable. This has meant moving away from monitoring activities and moving toward monitoring results. The Ministry of Finance has shown interest in the methodology for the opportunities it might offer with other ministries.

Products

1. Manual for the Planning System
2. Guide for Strategic Planning for the Ministry of the Family
3. Guide for Operational Planning for the Ministry of the Family
4. Guide for Investment Planning for the Ministry of the Family
5. Guide for the Development of a Management Information System
6. Institutional products and associated indicators
7. Proposal for Establishment of a Cost-Accounting System

Leadership

Approaches

In the first half of 2004, M&L worked with the central level senior managers in developing their leadership capacities. In addition to the development of the planning system (discussed above), the leadership program also resulted in improved communication and internal organization of the ministry. In the second half of 2004, the MSH team created a "generic" operational level leadership module with eight units for social sector institutions and drawing heavily upon the experience with municipal level leadership training in used with over 2,000 MINSA municipal level health care workers. The program was provided to all of the 24 MiFamilia delegations, including those from the Atlantic Coast, and to three sub-delegations. The same module was used with personnel from the Red de Protección Social (Social Protection Network) and the Special Protection program.

Results

The program resulted in the creation of the planning system, now serving a vital and central function in the Ministry. The past Minister stated that all change processes in the Ministry had been accelerated by the MSH technical assistance.

At the municipal level, each of the 26 delegations or sub-delegations chose a different service delivery challenge, according to its particular circumstances. Illustrative results include:

- Increase in the number of adolescents participating in workshops dealing with themes of sexual and reproductive health (Red de Protección Social).
- Achievement of 77% of programmed field visits accompanying investigations by field technicians (General Directorate of Special Protection).
- Achievement of review and analysis of 78% of files of children who have suffered violation of their rights (General Directorate of Special Protection).

- Ninety percent of children of whom the Delegation has confirmed a violation of rights have protective measures applied (Rio San Juan).
- Twenty-five percent of high risk children reincorporated in the educational system (Bonanza).
- Increase from 45% client satisfaction to 68% (Matagalpa).

Products
1. Generic Leadership Module published

Special Protection System

Approaches
During the second semester of 2004, the then Minister of the Family asked MSH to help solve her "knottiest" problem – the functioning of the Special Protection Program aimed at protecting the rights of children and adolescents suffering from abuse or neglect. MSH used the systems approach to process management (the same approach used in the design of the planning system) to help MiFamilia redesign this program's processes and procedures. These were presented to the Minister in December 2004 and her observations were included in the final version. Unfortunately, she was replaced prior to giving final approval.

Results
The process enabled MiFamilia to identify that the majority of the time of its Special Protection staff was actually devoted to things like family reconciliations that had nothing to do with its core function and which, actually, should be carried out by the judicial system. Although not formally approved, the participatory process used in the design of the system has resulted in the informal application of a number of its provisions.

Products
1. Draft Operational Manual for the Special Protection System

CLIENT: MINISTRY OF EDUCATION

The work with the Ministry of Education has focused on three areas:
1. Development of a Competency-based Curriculum and associated Educational Transformation
2. Design of Terms of Reference for Institutional Reform
3. National Education Accounts

Curricular and Educational Transformation

Approaches
MSH began to work with the Ministry of Education in July 2004. The Ministry of Education established as its institutional challenge the implementation of a competency-based curriculum by February 2004. MSH recruited an international expert in this field and

has led a team of around 40 fulltime, Ministry of Education specialists in the design of a competency-based curriculum. The first draft of the curriculum was available in December 2004. However, the implementation process suffered serious setbacks because of vacillating political support during the critical months of December to April and MOE in-fighting. In January 2005 there was a change in Ministers and an initial rejection by the new team of the principal MSH consultant. By May 2005, MOE was once again aligned in support of the process and the Secretary General assigned the leadership role. However, the resulting lack of critical decision-making in the early months of the year made it impossible to meet the 2005 school year implementation schedule which MECD had, itself, established. Once these difficulties were overcome the process gathered momentum once again. Subsequently, this same curriculum has been "validated" by over 1,000 persons, including teachers, school directors, municipal and departmental technicians, university professors, donors and representatives of civil and governmental society in a series of eight forums. MSH has also overseen the creation of the first draft of the materials that will be used by the primary school teachers during the first two months of the 2006 school year validation. During the process, MSH introduced elements of leadership and change management with the MECD technical team.

Results

The impact level results of this process, like the MOH reform, are really only going to be visible in the medium term. The MOE now has its very first fully articulated and aligned curriculum from pre-school through secondary-school. For the first time, Nicaragua has a curriculum which has been widely vetted with stakeholders, including authorities in the Atlantic Coast. The reaction of these stakeholders has been overwhelmingly positive. The Minister's chief advisor has stated publicly on more than one occasion that the Directorate of Curriculum (MSH's counterpart in the process) is the only one at the central level that has fruits to show.

Products

1. Competency-based Curriculum and sub-products
    a. National framework competencies
    b. Profile of graduate from the basic education system and each of its subsystems (preschool, primary and secondary)
    c. Competencies of graduate from the basic education system and each of its subsystems
    d. Competencies by thematic area, educational cycle, grade and semester.
2. Plan for Implementing Educational Transformation fully integrated with the Donors´ Common Work Plan and the MOE Policy and Planning documents.
3. Draft Teacher Guides for Grades 1-6 for all seven curricular components for the first two months of application of the competency-based curriculum.
4. Document "Basic Elements in the Evaluation of Competencies"

Institutional Reform

Approaches

MSH was asked by the MOE to assist in the drafting of Terms of Reference for a large technical assistance effort to be financed by the World Bank aimed at creating a more

efficient, streamlined central level ministry. In the preparation of these Terms of Reference, MSH drew on its work with the Ministries of Health and of the Family, on interviews with key MOE stakeholders and on a half-day seminar presided by the Vice-Minister of Education to design the terms of reference. These were presented in draft from in December and in final form with MOE input in the first quarter of 2005.

Results
MSH understands that the new Minister does not intend to proceed with the World Bank recommended institutional reform process. Furthermore, the World Bank funds upon which this process depended have not yet been approved by the National Assembly.

Product
1. Terms of Reference for the Contracting of Technical Assistance for Reorganizing the Ministry of Education

National Education Accounts

Approaches
One of the last programmatic areas added to the MSH terms of reference were the development of a methodology for calculating National Education Accounts in Nicaragua. Through the Harvard School of Public Health sub-contract, M&L staff and consultants met with key MOE and educational sector personnel, carried out literature reviews and had a half-day seminar with counterparts oriented at validating the NEA proposal and eliciting institutional support.

Results:
There is now at least a "beachhead" of support in the Ministry of Education for the National Education Account approach.

Products:
1. National Education Account Literature Review
2. Methodology for Calculating National Education Accounts in Nicaragua

CLIENT: SOCIAL SECTOR CABINET

The work with the social sector cabinet focused on:
1. Service Delivery Centers (Centros Proveedores de Servicios – CPS)
2. Institutional Reorganization of the Emergency Social Investment Fund (Fondo de Inversión Social de Emergencia - FISE)

Service Delivery Centers

Approaches
In 2005, USAID added work with the Social Sector Cabinet, as an entity, to the MSH terms of reference. In February 2005 the Chargé of the US Embassy hosted a meeting of

ministers of Education, the Family, and Health as well as the Executive Director of FISE, the President of the Nicaraguan Social Security Institute (INSS) and a representative of the Secretariat of the Presidency (SECEP), USAID and MSH to try to determine how USAID, under the M&L project could assist the Cabinet as a whole in achieving its ends. The sense of the meeting was that whatever was done should concentrate on service delivery at the local level. In follow-up meetings it was determine that it was of great interest to all of the parties to try to convert the concept of Service Delivery Centers (CPS) outlined in the National Development Plan into operational reality. CPS is a strategy for geographic focusing of resources to achieve maximum impact on underserved populations. MSH, together with its principal counterpart, SECEP, developed a proposal which was sent to and approved by the Social Sector Cabinet. The overall purpose of the proposal was to document the process of implementing the CPS strategy in seven widely dispersed municipalities. MSH contracted experienced local technicians who worked with municipal governments and leaders of civil society to develop the 2006 local investment plans and to develop their management and leadership capacities as well as those of local civil society leaders.

Results

The results of this process in terms of service delivery and impact will not become visible for at least one or two more years. At the intermediate level , there are increased leadership capacities, increased inter-institutional coordination at the local level and increased social auditing capability in selected municipalities.

Products

1. Documentation of Implementation of the Service Delivery Center Concept
2. Central Government 2006 Local Investment Plan for Seven Municipalities based on CPS Concept

Institutional Restructuring of FISE

Approaches

In April 2005, the FISE Director of Planning requested MSH assistance in designing a new organizational structure, established by the World Bank as a prerequisite for additional financing. Since FISE is the key financing agency for the CPS approach, MSH agreed to assist. MSH facilitated a participatory process using the systemic approach to process management used above with the Ministries of Health, Family and Education. During two months of intensive work with senior managers from FISE, MSH facilitated the review of FISE's mission, vision, functions, roles, systems, processes, procedures, personnel needs and internal organization structure such that all of the above are aligned and integrated. This resulted in a formal letter of gratitude to the Director of USAID with an appeal for on-going technical assistance. In addition, MSH helped define the number of personnel needed by FISE and their occupational profiles and requirements.

Results

The M&L assistance has resulted in a transformation from a centralized management and decision-making entity, to one with a focus and capacity to stimulate local development and decision-making.

Product

1. Operational Manual for FISE and all of its nine internal systems with norms, processes, procedures, personnel needs and occupational profile.

CLIENT: NICARAGUAN SOCIAL SECURITY INSTITUTE

The work with the Nicaraguan Social Security Institute (INSS) centered on two very different areas:

1. Leadership at central and operational levels
2. Cost studies

Leadership at central and operational levels

Approaches

In INSS, MSH began its leadership program in the March 2004 with 23 top level managers from both its employee health insurance (salud previsional) and its occupational health (riesgos profesionales) directorates. Each directorate focused on a different challenge – the former on improved internal communication and the later on a public education campaign to decrease job-related illnesses and injuries. The approach in both cases was similar to the approach used with MINSA senior managers, i.e. a series of two day workshops focused on specific leadership capacities as applied to their institutional challenge. The capacities chosen were strategic thinking, communication, change management and focused perseverance. Upon completion of the formal leadership program at the beginning of 2005, MSH continued to provide coaching to the teams as they worked on their challenges. In mid-2004, with an extension in time from USID and with additional funding, INSS requested an expansion of M&L technical assistance in two areas – leadership at the INSS territorial supervisor level and an additional cost study (discussed below).

For leadership at the supervisor level, M&L used the same generic operational level leadership modules used with the MiFamilia delegates and based on the MINSA experience. Between August and December 2004, 49 supervisors entered into a process of leadership development. .

Results

In all of the formal leadership activities, the last activity is an evaluation. In the INSS central level evaluation activity, 93% of the 23 participants stated that the leadership development program had resulted in improved internal communication in their teams and in changes in the performance of their teams. Twenty-five percent had applied the focused conversation technique. Eighty-seven percent stated that planning and coordination had improved. When pressed about impact on service delivery, the participants cited a number of anecdotal examples. For instance, they attribute a measurable decline in complaints from unsatisfied clients to the improved communication and team work that results in better client treatment and quicker processing of complaints.

At the operational level the following resulted from the leadership development process:

- Eighty percent of EMP personnel considered that the supervisors' interpersonal relationships were good and that they had improved job performance after the leadership development.
- Eighty-eight percent of the supervisors reported that internal team communication had improved.
- Reduction in complaints and improvement in interpersonal relationships.

Products
There were no INSS specific products as a result of the leadership activity.

Cost studies

Approaches
One of the elements in the first terms of reference with which MSH initiated the bridge project activity in April 2003 was a cost study of the "Empresas Médicas Previsionales". Rather than repeating early studies, MSH, after consultation with USAID, INSS and the Chamber of Commerce of the EMP's, opted for focusing on the costs to EMP's of managing the most frequent or typical illnesses. Extensive discussions with the stakeholders led to the identification of 25 pathologies which represent the majority of cases treated, both inpatient and outpatient. MSH used two methodologies for costing – the review of 30 charts per pathology selected randomly from 11 EMP's and the creation of care flow charts in consultation with specialists in the management of each illness. With additional funding made available in January 2004, INSS requested MSH assistance in applying the same methodology to the study of the most typical occupational illnesses and accidents. That resulted in the identification of costs for an additional 27 pathologies. Finally, in March 2005, INSS requested MSH assistance in defining the costs of the management of breast and cervical uterine cancers in preparation for an announcement in May, on Mothers' Day, of the addition of coverage of these illnesses.

Results:
Since the inception of breast and cervical uterine cancer coverage in May, 75 women have begun treatment of breast and cervical uterine cancer. Both INSS and EMP's are using the EMP cost study as an additional source of information for negotiating costs. EMP's have a tool for estimating their costs for treating illnesses. INSS and MINSA have the fundamental elements for establishing treatment protocols for over 50 pathologies.

Products
1. Cost study of 25 Typical Illnesses with Associated Care Flow Charts
2. Cost study of 27 Common Occupation Illnesses and Accidents with Associated Care Flow Charts
3. Cost study of Breast and Cervical Uterine Cancer with Associated Care Flow Charts

CLIENT: PROFAMILIA

Profamilia, the International Planned Parenthood Federation (IPPF) affiliate, was one of M&L's first clients. The work with PROFAMIIA centered on:

1. Improved management
2. Improved leadership
3. Improved community-based distribution (CBD)
4. Improved marketing

Improved Management

Approaches

A series of management tools were developed to strengthen PROFAMILIA planning, monitoring, supervision and results evaluation processes. The design of the methodology for developing budgets, operational plans, inventory information systems, statistics, billing and the redesign and integration of the accounting codes produced the respective tools that are currently used in all 16 clinics and the central level. The Logistics Manual was developed in a participatory process which not only involved management and operational personnel, but also contributed to their training and identification with the final results.

Results

- Growth in overall financial sustainability from 56% in 2003 to 94% in June 2005 with clinics actually covering 107% of their costs.
- All 16 clinics operating with integrated budget and operational plans in 2005.
- All clinics monitoring their financial sustainability on a monthly basis.

Products

1. Inventory, Statistics and Billing Information modules
2. Manual and Excel software application for the creation of Annual Operational Plans and Budgets
3. Manual for Use of the Accounting Codes
4. Logistics Manual
5. Manual and Excel software application for monitoring financial sustainability
6. Manual and Excel software application for the calculation of the service costs for the PROFAMILIA Empresas Medicas Provisionales.

Improved leadership

Approaches

Parallel with the development of management tools, MSH carried out a program of leadership development in PROFAMILIA. The leadership development program has, in the last two years, focused on coaching sessions with the Executive Director and with the management team. MSH also facilitated the evaluation of organizational climate the results of which were used in the development of plans for improving such in the clinics and at the central level. For the first tem, performance evaluations were carried out at both the clinic and central levels and performance objectives based on the operational plans developed. Quarterly evaluations are carried out.

Results:

- Improved sustainability as observed above.

- Improvement in the organizational climate in clinics and the central level as shown in the following table. The scale runs from 0 to 5, with 5 being the best possible rating. In general, the organizational climate was quite good to begin with.

Changes in Organizational Climate, PROFAMILIA, 2004-2005

Element Evaluated	Central Level and Clinics	
	2004	2005
Leadership	4.11	4.33
Motivation	3:53	3.84
Reciprocity	3:65	3.76
Participation	3.61	3.79
	Only Clinics	
	2004	2005
Leadership	4.33	4.44
Motivation	3:66	4:00
Reciprocity	3:80	3.96
Participation	3.88	4.07

Products
1. Organizacional Climate Evaluation Manual
2. Performance Evaluation Manual
3. Coaching program for PROFAMILIA

Community Based Distribution (CBD) network

Approaches
In light of the fact that the CBD program was not financial sustainable, PROFAMILIA asked M&L to assist in evaluating and restructuring it. MSH visited each of the clinics and carried out a diagnosis of the current program. Based on this, MSH assisted two pilot clinics in rethinking the organization of its staff, their responsibilities, sales and distribution routes, products and points of sale. The pilot experience was evaluated and, subsequently, the approach was extended to all clinic CBD programs.

Results:
The following table shows the results from the two pilot clinics:

Indicators	Matagalpa	Ocotal
Growth in income compared to 2004	28%	39%
Achievement of sales target	99%	111%
Sustainability (percent of costs covered by income)	102%	137%

The program has been extended to all other clinics, but results from those are not available at the time of this report.

Products
1. Community Distribution Organizacional Manual
2. Document describing the Restructuring of sales routes and territories
3. Document describing the Salary Incentives for the CBD program personnel
4. Excel software application for monitoring the results of the CBD network

Marketing Plan 2004

Approaches
MSH assisted PROFAMILIA in developing a marketing plan for 2004. The plan had two components – external and internal. Externally the plan conceived four annual promotional campaigns. Internally, the plan was oriented toward improving the organizational climate. Unfortunately, PROFAMILIA did not choose to invest in the plan, the income from which would have clearly outweighed costs. The plan coincided with a period of organizational turbulence, with the departure of a Executive Director in January 2004, and was only partially implemented.

Results
Two PROFAMILIA clinics carried out two promotional campaigns, however, we have no information about the impact on sales.

Product
1. Marketing Plan

CLIENT: MUNICIPALITY OF WASLALA

Approaches
As mentioned above, the bridge project gave continuity to certain elements initiated under the previous Prosalud bilateral. It also incorporated certain elements which had previously been implemented independently by the Harvard School of Public Health. One of these elements was to study social capital. Harvard had previously done a baseline study in six municipalities and was to do a follow-up study measuring changes in social capital after an appropriate intervention. However, no one had thought about what intervention would be carried out to increase social capital, who would carry it out and how it would be financed. Waslala and Pantasma were two municipalities studied in the baseline. MSH had worked in both under the bilateral project. M&L, therefore, designed a community leadership development intervention designed initially to increase social capital and, subsequently, to direct this social capital towards increased participation in community growth promotion programs for children under the age of two years. The M&L intervention included training over 300 leaders from 30 some villages in values-based leadership, in the promotion of unity, cooperation and reconciliation through the use of local mass media and in the improved coordination and communication between communities and municipal authorities. The interventions were carried out into October 2003 to August 2005.

Results

The following table shows statistically significant changes in social capital indicators between the baseline surveys and final surveys for ten communities in Waslala and one in Pantasma. A community of Cinco Pinos served as a control.

Changes in Social Capital Indicators in Intervention Communities 2003-2005

Indicator	change	Indicator	change
Number of Community Activities.	+192.0%	Membership density	+42.9%
Average number of monthly meetings	+159.0%	General trust	+29.0%
Social interaction index	+119.0%	Group participation	+5.8%
Democratic participation	+47.6%	Heterogeneity index	+1.0%
Community trust index	+44.9%	Contribution to group	-0.82%

In addition to the above, 93 community projects were generated as a result community initiatives. The total amount invested in these projects was about $100,000 (C$1,790,000). About one-third of this was invested by the community and the rest was non-USAID external funds leveraged by the community with their new management and leadership skills and drawing on the social capital generated. The percent of project communities participating in the PROCOSAN community growth promotion program rose from 23% to 95%.

Products

1. Values-based Leadership Training Module for Community Leaders
2. Harvard study of change in social capital in 11 communities in Pantasma and Waslala
3. Video documenting the Waslala social capital intervention
4. Documentation of the experience

CLIENT: PRIVATE SECTOR (CORPORATE SOCIAL RESPONSIBILITY)

Approaches

In the last extension to the bridge project in January 2005, USAID added work to promote corporate social responsibility. In the second half of 2004 there was a national corporate social responsibility seminar to which USAID lent support through M&L. USAID recognized the potential of the national private sector to mobilize resources for strengthening the social sector, thus added corporate social responsibility to the M&L portfolio. As a counterpart for this initiative, MSH turned to a working group created through US Department of Commerce efforts to support business ethics and including representatives of COSEP, AMCHAM, The Nicaraguan Chamber of Commerce and the Roberto Teran Foundation. The activity included coordination with the Economic Affairs Office of the American Embassy. This project component has had three principal elements – a baseline study, three public-private alliance projects and a second national forum on corporate social responsibility. The three projects were the rehabilitation of a small rural school with ACOEM, the socialization of business ethics with AMCHAM, the education of

young business people with INDE. The second national forum on corporate social responsibility is being carried out with the Roberto Teran Foundation.

Results
Nicaragua has a baseline qualitative study demonstrating the level of knowledge regarding RSE among small, medium and large businesses. Concrete actions to promote knowledge about one or more category of corporate social responsibility has been implemented and the general knowledge about and interest in the subject has increased. The private sector has developed a total of eight projects for social investment and will provide follow-up of its own initiative. Over 120 private sector organizations participated in four CSR and business ethics workshops and over 600 fourth, fifth and sixth-graders in the municipalities of Diriá and San Marcos were trained in ethical entrepreneurship.

Products
1. Baseline study of corporate social responsibility
2. Report on second national forum on corporate social responsibility
3. An expanded and improved school in a rural community of Diriamba equipped with private sector funds.

CLIENT: NICASALUD

Nicasalud is a federation of local and international NGOs working in health. Nicasalud was established with USAID funding in 2000, especially to channel post-Hurricane Mitch rehabilitation and alleviation financing. Since then it has grown to include almost thirty affiliates and is the organization designated for handling Global Fund funds. M&L has supported Nicasalud in two ways:
1. Development of Business Planning capacity
2. Development and normalization of Finance, Procurement, Human Resources and General Administration systems

Business Planning

Approaches
Under the M&L project, MSH assisted a Bolivian health federation, PROCOSI, in the adaptation to the NGO, non-profit community of the "business plan" approach to launching new endeavors. M&L facilitated the application of this tool with Nicasalud and with five of its affiliates.

Results
All six participants, with the exception of Profamilia which suffered personnel turnover, completed business plans and presented them to donors. More importantly, the organizations acquired improved capacities to design mission statements, analyze markets, calculate financial and social returns on investment and develop and market new ideas.

Products

1. Five completed business plans

Reorganization

Approaches

In June 2005, USAID approached MSH about assisting Nicasalud in improving key management processes, especially those related to financial management and procurement. USAID had recently completed a pre-award survey and found conditions that would have made it impossible for it to provide funds directly to Nicasalud without bringing about changes. MSH, Nicasalud and USAID met to agree upon what would be reasonable products to which to commit given the extremely short time frame. An MSH team worked intensively with Nicasalud for about five weeks.

Products

1. Redesigned Financial, Human Resource, and Procurement Systems with their associated manuals.
2. Calculation of additional human resources needed and their occupational profiles to implement the new systems.

CRITICAL FACTORS IN SUCCESS OR FAILURE

There have been three critical success factors:

- Client and product focus
- Collaboration vs. Consultation
- MSH credibility with clients

Client and Product Focus

This bridge project has evolved. The first terms of reference in early 2003 were developed by USAID. The first "shock" the project received is when the Minister of health essentially rejected the proposed project approach and it was necessary to redesign the leadership program such that it responded to the Minister's vision. That served as a lesson which set the tone of engagement with additional project clients as they were added. With each client, USAID would offer an introduction and then the team would hammer out terms of reference that matched M&L capabilities with the institution's needs. From the beginning of the relationship, then, there was a focus on the client and its needs. Related to this was a careful definition of expectations or "products" with the client organization. For the most part, M&L tried not to promise what it could not deliver and tried to carefully delineate responsibilities of both parts.

Collaborative vs. "Expert" Products

Another element that appears to distinguish the approach of USAID-financed technical assistance is that it is collaborative. The technical assistance is permanent and often is based in the client institution. M&L, in the case of this project, largely served as a facilitator providing technical know-how and methodological approaches, but the content and design of products were provided by personnel of the client organizations. Thus, when completed, there was for the most part ownership by the client institutions. This is in contrast to the manner that many of the client institutions were accustomed to receive technical assistance, i.e. by a consultant who works intensively for a period and leaves a report. The latter may seem less costly, but the net result is often a total loss of the investment since the report results are never used. The USAID approach also builds local capacity.

MSH Credibility

Another critical success factor was credibility. The decentralization of certain contracting authority to the field by MSH/Cambridge permitted the project to respond quickly to the unexpected but critical actions that were identified as necessary for producing promised results. Furthermore, with few exceptions, M&L respected agreements for dates of meetings and workshops and, in general, went well prepared. M&L consistently provided high quality technical assistance. This all contributed to credibility. With credibility went increasing access to decision-makers and ability to provide input into their decisions.

LESSONS LEARNED

Modeling behavior is important

When developing leadership capacities, it is helpful that the personnel facilitating that development model the leadership capacities that the facilitators hope to develop. It brought both insight and satisfaction to the M&L team when some leadership development participants pointed out the helpfulness of the modeling by MSH staff of behaviors such as teamwork and the recognition of contributions.

Reform is a discontinuous process at the political level

Many of the M&L activities, especially those related to institutional reform in the Ministries of Education and Health, are highly political processes. They require paradigm changes throughout the organization and are often associated with a realignment of power relationships. One of the characteristics of this process is that it is "discontinuous". Given the fact that so many decisions rest beyond the pale of the technical team, it is vital to understand and communicate to other stakeholders that "fits and starts" is the rule, rather that the exception. In this context having a clear goal, a flexible strategy and considerable patience and perseverance are vital.

Persistence is necessary and pays off

Many of the results listed above and, hopefully, many more that will be realized in the future are the result of perseverance and persistence combined with a client orientation. When confronted by opposition to the change, by changes in political leadership or by competing priorities, the M&L team has been able to adapt, without losing sight of the overall goal, and press on toward achieving desired results. This often means delays, but the goodwill achieved by not insisting on rigid and externally imposed deadlines, is worth much more in the long run.

Creating alliances works

A conscious strategy on the part of M&L in Nicaragua was the creation of alliances with other donors wherever possible. The most obvious examples have been with the Health Sector Modernization Project (PMSS) in the MOH and with the IADB Institutional Strengthening Project in MiFamilia. In both cases over a period of many months staffs from the two projects worked together towards common institutional goals. MSH in Nicaragua also has a fairly long and positive history of collaboration with the Quality Assurance Project, most recently in MiFamilia. A similar relationship is being nurtured with the Banking on Health Project.

Annexes

Current team Nicaragua:

1. Dr. Barry Smith	Chief-of-Parth (COP)
2. Dr. Mario Lacayo Flores	Deputy Director/Community Program Team Coordinator
3. Lic. Omar Cortedano	Community Team - Empowerment
4. Dra. Argentina Parajon	Community Team - Empowerment
5. Dr. Carlos Sáenz	MIFAMILIA Team Coordinator
6. Dra. Alba Luz Solórzano	Mi Familia Team
7. Dr. Eduardo de Trinidad	M&E Specialist/MiFamilia Team
8. Lic. Claritza Morales	Leadership Program Team Coordinator
9. Dra. Carla Martínez	Leadership Team
10. Lic. Luis Bolaños	Health Reform and Finance
11. Dr. Manuel Rodríguez	CPS Team Coordinator
12. Dra. Mary Luz Dussan	CPS Team
13. Dr. Julio Ortega	AMAS Coordinator
14. Lic. Juan Humberto Cevo	Education Team Coordinator
15. Lic. Violeta Barreto	Education Team
16. Lic. Olga Montalván	Administrative Team Coordinator/ Corporate Social Responsibility
17. Sr. Ricardo Rodríguez	Administration – Information services
18. Lic. Zacarías Guevara	Administration - Finances
19. Sra. Yara Castro	Administration - Secretarial
20. Sra. Noelia Gutiérrez	Administration – Secretarial
21. Sr. William Zúniga	Driver
22. Sr. Luis Gaitán	Driver
23. Sr. Alejandro Rugama	Driver
24. Sr. César Moreno	Driver
25. Sr. Miguel Chavarría	Driver

MSH Short Term Technical Assistance and Project Support:

1. Lic. Sarah Johnson
2. Dr. Hector Colíndres
3. Lic. Eduardo Samayoa
4. Lic. Lourdes de la Peza
5. Lic. Byron Santos
6. Lic. Susana Galdos
7. Lic. Elena Decima
8. Lic. Thomas McMennanim

Institutional Sub-Contracts:

1. Harvard School of Public Health (National Health Accounts, Social Capital, Health Reform)
2. Alva, S.A. (Social capital)